REMARKS

In the Office Action, the Examiner noted that Claims 1 through 20 were pending in the Application. The Examiner rejected Claims 1 - 20. Claims 1 - 20 remain pending in the Application. Applicants traverse the rejections below.

I.   Traversal of the Rejection over 35 U.S.C. Section 101

The Examiner rejected Claims 7-12 and 17-20 under 35 U.S.C. 101 "because the claimed invention is directed to non-statutory subject matter" and the "claimed invention is not within the technological arts."

The Office Action cites *Toma*, in which "the claimed computer implemented process was within the 'technological art' because the claimed invention was an operation being performed by a computer within a computer."

The Office Action then goes on to say that in "the present application, the claims are completely silent with regard to technology and is purely an abstract idea or process steps that are employed completely without the use of any technology." This is simply not the case. Independent Claim 7 recites "[a] method performed on a computer" as well as "storing in a memory of the computer..." Independent Claim 17 also similarly recites technology. So the claims are not silent with regard to technology. Rather, they appear to meet the *Toma* test; that is, that the invention recites an operation performed by a computer within a computer.

The paragraph spanning pages 5 and 6 talks about the lack of a computer transforming data in the claims. Also discussed is some kind of physical transformation test. How these have become the test for statutory subject matter is unclear. In any case, Claim 7 recites generating

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links between the compilation of business rules and the policy set to generate specific rules to be embodied in the business contract and interlocking the compilation of business rules, the policy set and the links. In Claim 7, the computer generates links. Specific rules are generated. The computer interlinks the rules, policy set and generated links. This claim appears to satisfy *Toma*, since the claimed invention is a computer implemented process performed by a computer.

A discussion is provided on page 6 of the Office Action with respect to "wherein clauses". Wherein clauses are found in Claims 9, 10, 12 and 19. None of the limitations found in any of these claims is directly discussed in the Office Action. Rather, the discussion appears to state that such clauses add "nothing to the patentability of the claim." No legal support is provided for this assertion. Does this statement say that limitations found in wherein clauses can be disregarded and do not limit claims? Does this statement say that the wherein clauses found in the rejected claims are not regarded as limitations? These clauses found in these claims do not discuss the "intended use" of the invention. No legal support or precedent is provided for this interpretation of the status of wherein clauses.

Another passage on page 6 of the Office Action states that as "to technological arts recited in the preamble, mere recitation in the preamble ... [of] a computer, or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble." Once again, no case law or other precedent is provided this assertion.

Based on the above discussion and the lack of precedent supporting the position that the claims are non-statutory, Applicants submit that Claims 7-12 and 17-20 are statutory.

I.   Traversal of the Rejections over the Cited Art

The Examiner rejected Claims 1, 6, 7, 12 - 15 and 17 - 19 under 35 U.S.C. 102(e) as

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being anticipated by U.S. Patent No. 5,987,423 to Arnold et al (Arnold). The Examiner rejected Claims 2 - 5, 8 - 11, 16 and 20 under 35 U.S.C. 103(a) as being unpatentable over Arnold. Applicants traverse these rejections below.

A.   The Present Invention

The present invention provides a technique, in a computer environment, for the representation of business policy and the governing of business activities using a business rules book containing a set of policy and procedural rules. The business rules book, policy set and an optional product list filter are all linked in a computing environment so that a business contract with a business partner can be managed automatically when linked to the computing environment. Using this technique, business activities are executed using the contract as a conduit. Values from parameters in the contract are automatically inserted. This ensures conformity to the terms of contract for the business activity being undertaken in response to the contract.

B.   Differences between the Claims and the Cited Art

Claims 1, 6-7, 12-15 and 17-19 were rejected under 35 U.S.C. 102(e) as being anticipated by Arnold. Applicants traverse this rejection below.

Claim 1 recites "means for storing at least one compilation of business rules comprising a plurality of rules available to be selected for inclusion in a business contract". Relative to this subject matter, the Office Action cites Column 15, lines 34-41. This passage states that an application developer/framework user can implement business rules to control the retrieval of prices for a product and select among price alternatives....the application provided can implement business rules to control the retrieval of discounts of a product and select among discount alternatives...the application provider can define the business rules to determine which prices and

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discounts to use under which circumstances and to manage the prioritization between prices and discounts....the requestor class references the Sales Contract Retriever, which determines prices or discounts that apply **based on sales contracts.**" This passage discusses what the application developer does in setting up a framework for order processing, and some of the relationships between elements of the framework. The developer can implement business rules to control retrieval of prices. The Arnold business rules are not available for inclusion in a business contract, as per Claim 1. They control retrieval of prices. As such, the Arnold business rules do not disclose the business rules or plurality of rules recited in Claim 1. Does the Office Action mean to say that the price alternatives are the business rules or rules recited in Claim 1? Very clearly, the "business rules" discussed in Arnold are **not** included in any contract, and thus are different than the business rules and rules recited in Claim 1. The business rules of Arnold are not available for selection for inclusion in a business contract, as per Claim 1.

Claim 1 also recites "means for storing at least one policy set containing parameters corresponding to selected rules from the compilation of business rules". Relative to this subject matter, Column 15, lines 26 - 42 are cited (a significant overlap of the portion of Arnold discussed above relative to the first element of Claim 1). The new portions of this passage describes a "class diagram that illustrates the characteristics of the SA Sales Price and Discount Requestor category that reviews and combines prices....[t]his category includes the Sales Price and Discount Requestor class, which has overall responsibility for determining sales prices and discounts." As discussed above, the Arnold business rules are not selected for inclusion in a business contract. Further, the Office Action does not make clear what from Arnold discloses the "policy set' recited in the second element of Claim 1. What are the parameters that correspond to the selected rules? Unless this subject matter is shown to exist in Arnold, Arnold cannot be said to anticipate Claim 1, and the rejection cannot stand.

Claim 1 also recites "means for generating links between the compilation of business rules and the policy set to generate specific rules to be embodied in the business contract". Relative to this subject matter, the Office Action cites passages from Column 15, lines 42-49 and

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Column 12, line 48 through Column 13, line 45. The first passage was discussed above, and does not teach, suggest or disclose generating links. The second passage discusses Figure 9, which illustrates the characteristics of the SA Product Sales Information category that contains product aspects that are unique to sales orders and "includes links to prices and discounts, customers, and units of measure." The passage also discusses two different link classes. However, these "links" are not the same as those recited in Claim 1 and do not teach, suggest or disclose "generating links", much less "generating links between a compilation of business rules and a policy set". Nor does the passage teach, suggest or disclose "generating links between a compilation of business rules and a policy set **to generate specific rules to be embodied in the business contract**". The cited passage does not even discuss a business contract.

Claim 1 also recites "means for interlocking the compilation of business rules, the policy set and the links." Relative to this subject matter, the above discussed passages from passages from Column 15, lines 42-49 and Column 12, line 48 through Column 13, line 45 are now apparently cited. The previously cited passages from Column 16, line 48 through column 17, line 16 and Column 22, lines 52-56 are no longer applied against this subject matter. As alluded to above, Applicants are unable to find what it is in Arnold that the Office Action allegedly shows that discloses the policy set in the first place. The Arnold 'business rules' are not available for selection. And the Arnold 'links' are not generated and are not between a compilation of business rules and a policy set, as recited in Claim 1. No interlocking is taught, suggested or disclosed by Arnold.

Clearly, independent Claim 1 patentably distinguishes over Arnold. Independent Claim 7 was rejected for the same reasons as was Claim 1, so it follows that Claim 7 also distinguishes therefrom.

Independent Claims 13 and 17 were apparently rejected for similar rational as was applied to Claim 1. For the most part, the same passages from Arnold are applied against these claims, together with the passage from Column 22, lines 52-56 that was applied in the prior

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Office Action against Claim 1. No analysis of how these passages disclose the claimed subject matter is provided. Accordingly, for the reasons discussed above, Applicants submit that Claims 13 and 17 patentably distinguish over Arnold.

Since all of the independent claims have been shown to distinguish over the cited art, it follows that the dependent claims also distinguish therefrom. However, many of these other claims further distinguish over Arnold for additional reasons, as will be discussed below.

Applicants note that while Claims 6 and 12 were expressly rejected under Section 102(e), there is no discussion of the reasons these claims were rejected under this section..

With regard to dependent Claims 14 and 18, the contract of the claimed invention (see page 12 last paragraph through page 13 end of first paragraph) from which the document is created is different from that of Arnold in that the rules incorporated within are not evident. In contrast to the claimed invention, Arnold has rules in multiple locations as evident in the Examiner's own cited references.

In general, Applicants submit that the Office Action does not make a prima facie case for anticipation, since Arnold does not teach or disclose all of the elements as claimed. In fact Arnold appears to operate in a manner opposite to that of the claimed invention. For example, Arnold states at col. 15 lines 28-29 "reviews and combines prices, discounts and sales contracts to define applicable prices and discounts for an order"and lines 46-49 "Finally the requester class references the Sales Contract Retriever which determines the prices or discounts that apply based upon sales contracts". In contrast, as recited in independent Claim 1, the claimed invention **generates a business policy** by "storing in a memory of the computer at least one compilation of business rules comprising a plurality of rules available to be selected for inclusion in a business contract; storing in the memory at least one policy set containing parameters corresponding to selected rules from the compilation of business rules; generating links between the compilation of rules and the policy set to generate specific rules to be embodied in the business contract; and

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interlocking the compilation of business rules, the policy set and the links." The business contract created is the result of the process in the claimed invention. The **contract is not used in the claimed invention as in Arnold; in contrast it is created** as a reflection of the policies of the enterprise. Support is clearly found on page 3 first paragraph of the application. The teaching of Arnold is the use of a number of classes that provide rules and not a collecting of selected rules into a contract as in the claimed invention. Arnold therefore does not have the first element of Claim 1 and could not have anticipated its use. Further, Claim 1 provides "interlocking", which is not evident in Arnold. The cited references in Arnold are limited to situations with discounts. Support for the step of interlocking may be found in the instant applicant throughout page 4.

Claims 2-6, 8-12, 16 and 20 were rejected under 35 U.S.C. 103(a) as being unpatentable over Arnold. Applicants traverse this rejection below.

With respect to Claims 2-6, 8-12, 16 and 20 being rejected under 35 U.S.C. 103(a) as being unpatentable over Arnold, again the Office Action has not provided a prima facie case for obviousness. There is no specific motivation in the teaching of Arnold to suggest the use of a product list filter. Arnold teaches the use of groups by discount category, such as purchase or sale. Nothing in Arnold suggests classifying products by anything other than discount. In fact, attempting to classify products in another manner might render Arnold inoperative. Suggesting Arnold be modified in accordance with the claimed invention may cause the grouping of Arnold to break, as the claimed product list filtering does not necessarily adhere to the discount grouping technique of Arnold. The grouping technique of Arnold is evident in the cited references made by the Examiner. Product list filters (PLF) are described in the instant application at page 11, second paragraph onward. Arnold does not teach subsetting of a product list and teaches away from that notion by focusing on support for total product grouping by discount type only.

Dependent Claim 6 recites "the business contract is locked after interlocking contract elements and the links." Relative to this subject matter, a reference to made to the definition of a

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contract. No locking is provided in this definition, and there is no discussion of interlocking contract elements and links. Claim 12 was rejected under the same rational. Accordingly, Applicants submit that Claims 6 and 12 further distinguish over the cited art.

With regard to Claims 4-5 and 10-11, the business contract of the claimed invention has business rules, policy set which includes the product list filters differentiating it from the contract of Arnold.

It is not clear from reading Arnold that the contract has dynamic elements which can be altered without changing the contact. In Arnold, the changes to elements such as discount appear to be unrelated to those in the contract itself. The contract of Arnold appears to be a static document used in conjunction with information provided by other classes, as illustrated in Col. 15, lines 46-49.
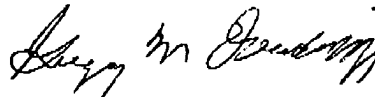
Accordingly, Applicants further submit that the pending claims distinguish over Arnold.

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III.   Summary

Applicants have presented technical explanations and arguments fully supporting their position that the pending claims contain subject matter which is not taught, suggested or disclosed by Arnold. Accordingly, Applicants submit that the present Application is in a condition for Allowance. Reconsideration of the claims and a Notice of Allowance are earnestly solicited.

Respectfully submitted,

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